

Message Text

CONFIDENTIAL

PAGE 01 SANTIA 08583 192159Z

22-11

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00

FMC-01 INR-07 NSAE-00 CG-00 OFA-01 DLOS-04 L-03 STR-04

/034 W

----- 105468

R 192039Z DEC 75

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 6274

C O N F I D E N T I A L SANTIAGO 8583

EO 11652: GDS

TAGS: EWWT, CI

SUBJECT: DISCRIMINATORY SHIPPING DECREE

REF: A. STATE 298270 B. SANTIAGO 8408

1. SUMMARY. IN VIEW RECALCITRANT ATTITUDE OF MIN TRANSPORT, ODEPLAN (PLANNING ORGANIZATION) DIRECTOR KELLY HAS BEEN DIRECTED BY FINMIN CAUAS TO PREPARE ACCEPTABLE SOLUTION. FON MIN (LACKINGTON) WILL ADVISE EMBASSY AFTERNOON OF MONDAY TWENTY-SECOND OF MAIN LINES OF SOLUTION. END SUMMARY.

2. ECON COUNSELOR IMPARTED SUBSTANCE OF REFTEL A TO FON MIN ECON ADVISER LACKINGTON 1300 HOURS DEC 19. LACKINGTON NEARLY EXPLODED, BUSTING OUT WITH QUOTE OUR OWN MINISTER OF TRANSPORT HAS BEEN LYING TO US RIGHT ALONG, AND THIS REALLY PROVES IT. UNQUOTE. AFTER MAKING APPOINTMENT TO DISCUSS SUBSTANCE REFTEL WITH FIN MIN CAUAS, LACKINGTON PROCEEDED TO GIVE FOLLOWING ACCOUNT OF INTERNAL GOC CONFLICT.

3. FON MIN HAD SUSPECTED FOR SOME TIME THAT MINISTER OF TRANSPORT GARIN HAD NOT BEEN STRAIGHTFORWARD WITH FON MIN. REASON WAS THAT MINISTER OF TRANSPORT QUOTE AN IMBECILE UNQUOTE IN HANDS OF QUOTE MAFIA UNQUOTE OF CHILEAN SHIPPING INTERESTS. GARIN BELIEVES DL 466 TO BE USEFUL LEGISLATION AND RELUCTANT TO CHANGE ANY OF IT.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SANTIA 08583 192159Z

4. UNDER PRESSURE FROM FON MIN, GARIN HAD PROMISED TO PRODUCE SOLUTION, WHICH WAS DOCUMENT LACKINGTON HAD PROMISED TO GIVE EMBASSY (REF B). SOLUTION, HOWEVER, WAS MERELY AUTHORIZATION TO MAKE POOLING ARRANGEMENTS WITHIN AMBIT OF CONTINUING DISCRIMINATORY PROVISIONS OF DL 466. FON MIN REJECTED THIS AS UNACCEPTABLE, FOR SAME REASONS ADVANCED BY DEPARTMENT IN PARA 6, REFTTEL A.

5. WORKING LUNCHEON ON WEDNESDAY SEVENTEENTH WHICH, AMONG OTHERS INCLUDED FIN MIN CAUAS, CENTRAL BANK PRESIDENT BARAONA, MIN ECONOMY SERGIO DE CASTRO, FON MIN CARVAJAL, PROCHILE (EXPORTERS ASSOCIATION), EXECUTIVE SECRETARY FONTAINE, ODEPLAN DIRECTOR ROBERTO KELLY, AND LACKINGTON, BUT NOT REPEAT NOT GARIN, DEVOTED HALF OF TIME TO MATTER OF DISCRIMINATORY SHIPPING DECREE. FONTAINE TOLD GROUP THAT HE HAD FOUND MIN TRANSPORT OFFICIALS IMPOSSIBLE TO WORK WITH. DECISION WAS THEREFORE TAKEN TO CHARGE KELLY WITH PREPARATION OF ACCEPTABLE SOLUTION NTL COB MONDAY TWENTY-SECOND. GARIN NOT REPEAT NOT TO BE INFORMED OF HIS LOSS OF JURISDICTION. MEANWHILE, CAUAS WOULD TAKE MATTER UP WITH PRESIDENT PINOCHET AT REGULAR AUDIENCE THURSDAY MORNING EIGHTEENTH.

6. LACKINGTON, WHO USED TO BE KELLY'S DEPUTY AT ODEPLAN, IS RECOMMENDING TO KELLY THAT SHORT-TERM SOLUTION BE BASED ON INTERPRETATION THAT VALUE ADDED TAX NOT A SUBSIDY WITHIN MEANING OF DL 466; HENCE CHILEAN EXPORTS NOT TO BE RESERVED FOR CHILEAN BOTTOMS. TNIS, ACCORDING TO LACKINGTON,, WOULD TAKE CARE OF QUOTE 90 PERCENT UNQUOTE OF PROBLEM.

7. ECON COUNSELOR TOLD LACKINGTON THAT HE CONSIDERED LACKINGTON HAD GIVEN OFFICIAL ASSURANCE THAT ACCEPTABLE SOLUTION WOULD BE FORTHCOMING BY COB MONDAY. LACKINGTON AGREED, AND ASKED ECON COUNSELOR TO CALL HIM SOMETIME MONDAY AFTERNOON FOR STATUS REPORT.

8. CONCERNED WASHINGTON AGENCIES PLEASE NOTE LACKINGTON'S CONCERN LEST U.S. SHIPPING LINES BE INFORMED OF DETAILS OF BYPLAY WITHIN GOC, AND ESPECIALLY OF END RUN AROUND GARIN. LACKINGTON FELT U.S. SHIPPING LINES QUOTE MUCH TOO FREE UNQUOTE IN THEIR CONVERSATIONS WITH OFFICIALS OF MIN TRANSPORT.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 SANTIA 08583 192159Z

9. AT SOCIAL FUNNCTION EVENING DECEMBER 18 (BEFORE ARRIVAL OF REFTTEL A) AMBASSADOR RAISED PROBLEM WITH GOC FINANCE MINISTER AND ECONOMIC COORDINATOR JORGE CAUAS. AMBASSADOR STATED SITUATION WAS BECOMING A SERIOUS IRRITANT IN OUR DAY-TO-DAY RELATIONS, AND THAT WHILE WE WERE RELUCTANT TO CONTEMPLATE RETALIATORY MEASURES, IT MIGHT NOT BE POSSIBLE TO AVOID THEM IF NO ACTION ON CHILEAN SIDE WERE FORTHCOMING.

CAUAS SAID HE UNDERSTOOD SITUATION THOROUGHLY; REGRETTED
THAT CHILEANS HAD NOT MOVED MORE QUICKLY; SAID HE HAD
PERSONALLY DISCUSSED MATTER WITH PRESIDENT PINOCHET EARLIER
IN DAY; AND EXPRESSED HOPE RAPID REMEDIAL ACTION WOULD NOW
BE FORTHCOMING.
POPPER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARINE TRANSPORTATION, DISCRIMINATION, LAW, REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SANTIA08583
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750443-0222
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751223/aaaaaudn.tel
Line Count: 121
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 STATE 298270, 75 SANTIAGO 8408
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 08 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 SEP 2003 by ElyME>; APPROVED <19 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DISCRIMINATORY SHIPPING DECREE
TAGS: EWWT, CI
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006